

MULTIMEDIA



UNIVERSITY

STUDENT IDENTIFICATION NO

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MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2022/2023

BMR3094 MARKETING IN SERVICE INDUSTRY

(All sections / Groups)

12 JULY 2023
9.00 a.m. – 11.00 a.m.
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This Question paper consists of 3 pages with 5 Questions only.
2. Attempt **ALL QUESTIONS**. Distribution of the marks for each question is given.
3. Please write all your answers in the Answer Booklet provided.

(ANSWER ALL QUESTIONS)**QUESTION 1**

“A service is rented rather than owned” (Lovelock, Wirtz and Chew; Essentials of Services Marketing, 2nd Edition)

- a. Explain what the statement means

(5 Marks)

- b. Use **FOUR** examples to support your explanation.

(10 Marks)

(Total: 15 marks)

QUESTION 2

- a. Define the meaning of customer contact

(2 Marks)

- b. As a marketer how would you manage customers experience through their service contact level?

(8 Marks)

(Total: 10 marks)

QUESTION 3

- a. Explain what is meant by core product and supplementary services.

(5 Marks)

- b. What are the significances of supplementary services to marketing?

(5 Marks)

- c. Explain the “flower of service” concept and identify each of its petals.

(5 Marks)

- d. What is the difference between enhancing and facilitating supplementary services?

(5 Marks)

- e. Why do new services often fail? What factors are associated with successful development of new services?

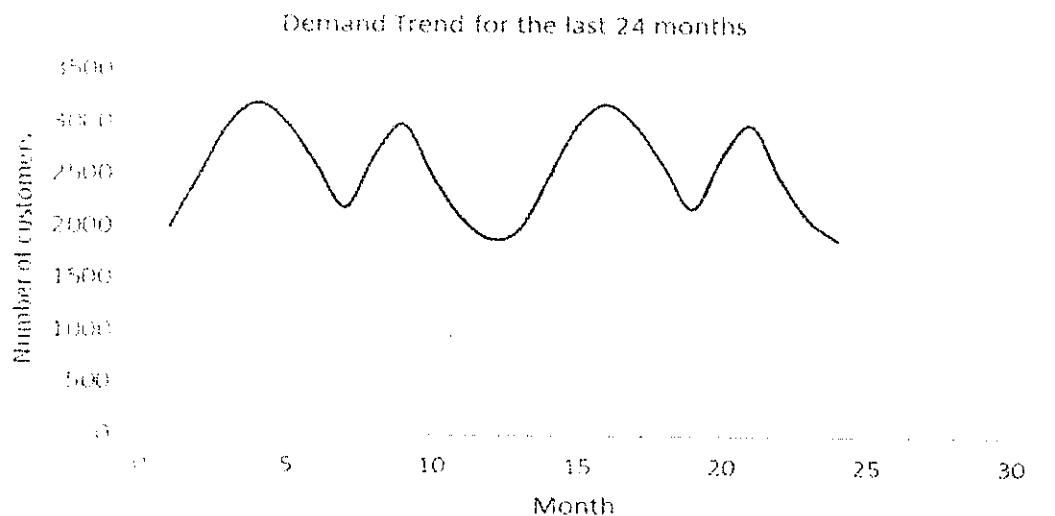
(5 Marks)

(Total: 25 marks)

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QUESTION 4

Kenduri Avenue (KA) has been in business for the last two years. Operating at 2000 level, KA management is aware that demand for their services exceeded supply. Based on booking and query data, demand trend for KA services was as illustrated below:



- a. If KA management decided to increase its operational capacity to 2500 per month, what are the **five (5)** productive capacity that the company should consider expanding?
- (10 marks)
- b. As illustrated above, demand for KA services will fluctuate. What five actions can the firms take to adjust capacity to more closely match demand?
- (10 marks)
- c. Briefly explain how KA can use ambient conditions to influence their customer's behaviour in its service setting?

(5 marks)

(Total: 25 marks)

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QUESTION 5

- a. In a meeting, a young executive at Norton Holiday Home voices his concern:
- ".... We have to go for yield management instead of messing with our capacity! ... This is the only way that we can have a better yield.... Demand for our holiday homes does not fluctuates drastically...in fact we are operating at our optimum capacity must of the time! It makes no sense to engage in capacity stretching.... We know that 40% of our customers are willing to pay more, given the right value.... Operating at full capacity or stretching it, is recipe for disaster...people come here for tranquillity and relaxation not for a jammed packed excitement.... I believe our valued loyal customers will go elsewhere"*

Do you agree with the young executive's concern? Give your reasoning.

(10 Marks)

- b. After the meeting, the young executive said to his friend:
- "...this is the problem when the top management act on their gut feeling. I don't think that they understood what is going on.... The product was designed for them (the management), not the customer.... And they dare to ask you to design a rosy tinted communication.... Don't they know what over promising do?"*

- i. The statement above indicates that there is a quality gap that exist. What is this gap and suggest **three (3)** ways in which this gap can it be avoided?

(7 Marks)

- ii. What is this gap and explain why overpromising is bad for business? Relate your answer to "Zone of tolerance" concept.

(8 Marks)

(Total: 25 marks)

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